



STATE OF IOWA
MASTER AGREEMENT

MA# 005 CT2411MV8OF20 3
EFFECTIVE BEGIN DATE: 12-01-2006
EXPIRATION DATE: 11-30-2007
PAGE: 1 of 5

BUYER : JEANETTE CHUPP
Jeanette.Chupp@iowa.gov
515-281-6288

FOB FOB Ship Pt, Freight Allowed

PAYMENT TERMS (%): DAYS:

VENDOR:

McKesson Medical Surgica
8121 10th Ave N

Golden Valley, MN 55427
USA

VENDOR CONTACT:

Therese Mugge

PHONE: 763-595-6133

EXT:

EMAIL: governmentalsales@mckesson.com

VENDOR #: 41126165302

DESCRIPTION OF ITEMS CONTRACTED

Medical Products

Medical - Surgical Products Distribution (Acute and Non-Acute Class of Trade) as authorized by individual Facility Authorization Distribution Agreement (ADA) to participate in HPPI Pricing

Cooperative Purchasing Agreement pursuant to 8A.311(4) Iowa Code - 2005 Supplement.

Government Sales Contact: Therese Mugge at phone 763-595-6133

or 800-328-8111 or FAX 800-237-9766 or E-Mail address: governmentalsales@mckesson.com

Local McKesson Sales Representatives include but are not limited to:

-- John Zuber at phone 800-933-4633 or E-Mail: JOHN.ZUBER@mckesson.com

-- Steve Donahue at phone 800-933-4633 ext. 9945 or E-Mail: STEVE.DONAHUE@mckesson.com

-- Jim Loes at phone 800-933-4633 ext. 9910 or E-Mail: JIM.LOES@mckesson.com

-- EXTENDED CARE Representative: Kent Hayek at phone 800-328-8111 ext. 806 or E-Mail: KENT.HAYEK@mckesson.com

RENEWAL PERIODS

FROM 12-01-2006 TO 11-30-2007

FROM 12-01-2007 TO 11-30-2008

FROM 11-30-2008 TO 11-29-2009

THRESHOLDS

MINIMUM ORDER AMOUNT:

MAXIMUM ORDER AMOUNT:

NOT TO EXCEED AMOUNT:

AUTHORIZED DEPARTMENT

ALL

TOTAL \$0.00

VENDOR:

APPROVED BY:

THIS MA IS SUBJECT TO THE TERMS AND
CONDITIONS ATTACHED HERETO.
PLEASE SEE ATTACHMENTS FOR
FURTHER DESCRIPTIONS.



**STATE OF IOWA
MASTER AGREEMENT**

MA# 005 CT2411MV8OF20 3

EFFECTIVE BEGIN DATE: 12-01-2006
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LINE NO.	QUANTITY / SERVICE DATES	UNIT	COMMODITY / DESCRIPTION	UNIT COST / PRICE OF SERVICE
1	0.00000		47555	\$0.000000
				\$0.000000
2	0.00000		Medical Examination Equipment and Supplies (Not Otherwise Cl 46548	\$0.000000
				\$0.000000
3	0.00000		Hospital and Surgical Equipment and Accessories (Not Otherwi 345	\$0.000000
				\$0.000000
4	0.00000		FIRST AID AND SAFETY EQUIPMENT AND SUPPLIES (EXCEPT NUCLEAR 475	\$0.000000
				\$0.000000
5	0.00000		HOSPITAL, SURGICAL, AND MEDICAL RELATED ACCESSORIES AND SUND 41003	\$0.000000
				\$0.000000
6	0.00000		Beds and Mattresses, Hospital Specialized: Air Beds, Intensi 41012	\$0.000000
				\$0.000000
7	0.00000		Carts: Dressing, Laboratory, Medication, Patient Tray, Resus 41072	\$0.000000
				\$0.000000
8	0.00000		Tables, Examination; and Accessories 43568	\$0.000000
				\$0.000000
9	0.00000		Skin Cleansers: Emollient, Nonalkaline, etc. 47517	\$0.000000
				\$0.000000
10	0.00000		Catheters and Urinary Drainage Systems, Plastic and Rubber 47534	\$0.000000
				\$0.000000
11	0.00000		Disposal Systems, Nonreusable (For Blades, Hospital Waste Co 46502	\$0.000000
				\$0.000000
12	0.00000		Anesthesia and Respiration Equipment, Hospital: Controls, Ga 4650710	\$0.000000
				\$0.000000
13	0.00000		BLOOD CHEMISTRY EQUIPMENT 46511	\$0.000000
				\$0.000000
14	0.00000		Blood Pressure and Blood Flow Detection Equipment: Dopplers, 46522	\$0.000000
				\$0.000000
15	0.00000		Diagnostic Equipment, Computerized: Plethysmographs, Spirome 46525	\$0.000000
				\$0.000000
16	0.00000		Diagnostic Equipment, Electronic (Not Otherwise Itemized) 46560	\$0.000000
				\$0.000000
17	0.00000		Monitoring Systems, All Types (Hospital and Patient) 4656750	\$0.000000
				\$0.000000
18	0.00000		ORTHOPEDIC EQUIPMENT, MISCELLANEOUS 46582	\$0.000000
				\$0.000000
19	0.00000		Rehabilitation Equipment and Supplies (For Hydrotherapy, Phy 46590	\$0.000000
				\$0.000000
20	0.00000		Sterilizing Equipment, Hospital and Research: Autoclaves and 46595	\$0.000000
				\$0.000000
21	0.00000		Vaporizers, Humidifiers, and Nebulizers (Including Room Size 47509	\$0.000000
				\$0.000000
22	0.00000		Bandages (All Types), Adhesive Tapes, Dressings, Plaster of 47550	\$0.000000
				\$0.000000
			Lancets, Blood	



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LINE NO.	QUANTITY / SERVICE DATES	UNIT	COMMODITY / DESCRIPTION	UNIT COST / PRICE OF SERVICE
23	0.00000		47564	\$0.000000
				\$0.000000
24	0.00000		Paper Goods: Diapers, Medication Blister Cards, Pillow Cases 47574	\$0.000000
				\$0.000000
25	0.00000		Sets, Procedural, Disposable: Catheter Care, Enema, Irrigati 4757713	\$0.000000
				\$0.000000
26	0.00000		BAGS, BIOHAZARD, INFECTIOUS WASTE 47582	\$0.000000
				\$0.000000
27	0.00000		Syringes, Hypodermic and Irrigation (Disposable), and Hypode 4758244	\$0.000000
				\$0.000000
28	0.00000		VACUTAINER NEEDLES, STERILE, DISPOSABLE 47588	\$0.000000
				\$0.000000
29	0.00000		Utensils, Sickroom: Aluminum, Enamelware, Stainless Steel, e 47595	\$0.000000
				\$0.000000
30	0.00000		Vacuum Blood-Collecting Sets (Tubes, Tube-Holders, and Needl 470	\$0.000000
				\$0.000000
31	0.00000		HOSPITAL, NURSING HOME OR RESIDENTIAL SPECIALIZED EQUIPMENT 47013	\$0.000000
				\$0.000000
32	0.00000		Anatomical Braces and Supports: Arm Slings, Back Supports, T 47020	\$0.000000
				\$0.000000
33	0.00000		Commode Chairs and Shower Chairs 47060	\$0.000000
				\$0.000000
34	0.00000		Restraint and Protection Items: Crib Nets, Foam Helmets, Jac 47541	\$0.000000
				\$0.000000
35	0.00000		Gloves and Finger Cots, Medical Type 4754128	\$0.000000
				\$0.000000
36	0.00000		GLOVES, EXAMINATION, DISPOSABLE, LATEX, MEDICAL GRADE, NON-S 4754139	\$0.000000
				\$0.000000
37	0.00000		GLOVES, EXAMINATION, POWDER FREE, SYNTHETIC 4754148	\$0.000000
				\$0.000000
38	0.00000		GLOVES, EXAMINATION, NITRILE, IMPERVIOUS TO BLOOD & BODY FLU 4754150	\$0.000000
				\$0.000000
39	0.00000		GLOVES, EXAMINATION, SYNTHETIC, NON-LATEX, NON-STERILE, LOW 4754155	\$0.000000
				\$0.000000
40	0.00000		GLOVES, EXAMINATION, VINYL, PEEL PACK, STERILE, DISPOSABLE 96286	\$0.000000
				\$0.000000
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TERMS AND CONDITIONS

Incorporation

The Request for Proposal and/or bid documents for this project and the vendor's proposal in response to the RFP or Bid together with any clarifications, attachments, appendices, or amendments of the State or the Vendor are incorporated into this Contract by reference as if fully set forth in this Contract.

Remedies upon Default

In any case where the vendor has failed to deliver or has delivered non-conforming goods and/or services, the State shall provide a cure notice. The notice to cure shall state the maximum length of time the vendor has to cure. If after the time period stated in the notice to cure has passed, the vendor continues to be in default, the State may procure goods and/or services in substitution from another source and charge the difference between the contracted price and the market price to the defaulting vendor. The State's Attorney General shall be requested to make collection from the defaulting vendor.

Force Majeure

Force majeure includes acts of God, war, civil disturbance and any other causes which are beyond the control and anticipation of the party affected and which, by the exercise of reasonable diligence, the party was unable to anticipate or prevent. These provisions of force majeure also apply to subcontractors or suppliers of the Vendor. Force majeure does not include financial difficulties of the Vendor or any associated company of the Vendor, or claims or court orders that restrict the Vendor's ability to deliver the goods or services contemplated by this Agreement. Neither the Vendor nor the State shall be liable to the other for any delay or failure of performance of this Agreement caused by a force majeure, and not as a result of the fault or negligence of a party.

Subcontractors

The successful vendor shall be responsible for all acts and performance of any subcontractor or secondary supplier that the successful vendor may engage for the completion of any contract with the State. A delay that results from a subcontractor's conduct, negligence or failure to perform shall not exempt the vendor from default remedies. The successful vendor shall be responsible for payment to all subcontractors and all other third parties.

Termination-Non-Appropriation

Notwithstanding any other provision of this contract, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, either through the failure of the State to appropriate funds, discontinuance or material alteration of the program for which funds were provided, then the State shall have the right to terminate this contract without penalty by giving not less than thirty (30) days written notice documenting the lack of funding, discontinuance or program alteration.

Immunity of State/Fed Agencies

The vendor shall defend and hold harmless the State and Federal funding source for the State of Iowa from liability arising from the vendor's performance of this contract and the vendor's activities with subcontracted and all other third parties.

Assignment

Vendors may not assign contracts or purchase orders to any party (including financial institutions) without written permission of the General Services Enterprise - Purchasing.

Anti-Trust Assignment

For good cause and as consideration for executing this purchase order, the vendor, through its duly authorized agent, conveys, sells, assigns, and transfers to the State of Iowa all rights, title and interest in and to all causes of action it may now or hereafter acquire under the anti-trust laws of the United States and the State of Iowa, relating to the particular goods or services purchased or acquired by the State of Iowa pursuant to the using State of Iowa agency.

Delivery and Acceptance

When an award has been made to a vendor and the purchase order issued, deliveries are to be made in the following manner.

- A. Deliveries - All deliveries are to be made only to the point specified on the purchase order. If delivery is made to any other point, it shall be the responsibility of the vendor to promptly reship to the correct location. Failure to deliver procured goods on time may result in cancellation of an order or termination of a contract at the option of the State.
- B. Delivery Charges - All delivery charges should be to the account of the vendor whenever possible. If not, all delivery charges should be prepaid by vendor and added to the invoice.
- C. Notice of Rejection - The nature of any rejections of a shipment, based on apparent deficiencies disclosed by ordinary methods of inspection, will be given by the receiving agency to the vendor and carrier within a reasonable time after delivery of the item, with a copy of this notice to the General Services Enterprise - Purchasing. Notice of latent deficiencies which would make items unsatisfactory for the purpose intended may be given by the State of Iowa at any time after acceptance.

Delivery and Acceptance (cont)

- D. Disposition of Rejected item - The vendor must remove at the vendor's expense any item rejected by the State. If the vendor fails to remove that rejected item, the State may dispose of the item by offering the same for sale, deduct any accrued expense and remit the balance to the vendor.
- E. Testing After Delivery - Laboratory analysis of an item or other means of testing may be required after delivery. In such cases, vendors will be notified in writing that a special test is being made and that payment will be withheld until completion of the testing process.

Title to Goods

The vendor warrants that the goods purchased hereunder are free from all liens, claims or encumbrances.

Indemnification

To the extent that goods are not manufactured in accordance with the State's design, the vendor shall defend, indemnify and hold harmless the State of Iowa, the State's assignees, and other users of the goods from and against any claim of infringement of any Letter Patent, Trade Names, Trademark, Copyright or Trade Secrets by reason of sale or use of any articles purchased hereunder. The State shall promptly notify the vendor of any such claim.

Nondiscrimination

The vendor is subject to and must comply with all federal and state requirements concerning fair employment and will not discriminate between or among them by reason of race, color, religion, sex, national origin or physical handicap.

Warranty

The vendor expressly warrants that all goods supplied shall be merchantable in accordance with the Uniform Commercial Code, Section 2-314 and the Iowa Code, Section 554.2314.

Taxes



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PAGE: 5 of 5

The State of Iowa is exempt from the payment of Iowa sales tax, motor vehicle fuel tax and any other Iowa tax that may be applied to a specified commodity and/or service. Contractors performing construction activities are required to pay state sales tax on the cost of materials. The Iowa Department of Revenue exemption letter will be furnished to a vendor upon request.

Hazardous Material

All packaging, transportation, and handling of hazardous materials shall be in accordance with applicable federal and state regulations including, but not limited to, the Material Safety Data Sheet provision of O.S.H.A. Hazard Communication Standard 29CFR 1910.1200, and Iowa Administrative Code, Chapter 567.

Public Records

The laws of the State of Iowa require procurement records to be made public unless exempted by the Code of Iowa.

Miscellaneous

The terms and provisions of this contract shall be construed in accordance with the laws of the State of Iowa. Any and all litigation or actions commenced in connection with this contract shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa. If however, jurisdiction is not proper in Polk County District Court, the action shall only be brought in the United States District Court for the Southern District of Iowa, Central Division, providing that jurisdiction is proper in that forum. This provision shall not be construed as waiving any immunity to suit or liability, which may be available to the State of Iowa.

If any provision of this contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable.

Records Retention

The vendor shall maintain books, records, and documents which sufficiently and properly document and calculate all charges billed to the State of Iowa throughout the term of this Agreement for a period of at least five (5) years following the date of final payment or completion of any required audit, whichever is later. The vendor shall at, no charge, permit the Auditor of the State of Iowa, or any authorized representative of the State (or where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government) to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records, or other records of the vendor relating to orders, invoices, or payments documentation or materials pertaining to this Agreement.

Independent Contractor

The vendor is an independent contractor performing services for the State of Iowa, and as such shall not hold itself out as an employee or agent of the State.

Performance Monitoring

For all service contracts, the requirements of Iowa Code sections 8.47 shall be incorporated into final terms and conditions of the contract.



STATE OF IOWA
MASTER AGREEMENT

MA# 005 CT2411MV8OF20 2
EFFECTIVE BEGIN DATE: 12-01-2006
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PAGE: 1 of 5

BUYER: JEANETTE CHUPP
Jeanette.Chupp@iowa.gov
515-281-6288

FOB FOB Ship Pt, Freight Allowed

PAYMENT TERMS (%): DAYS:

VENDOR:

McKesson Medical Surgica
8121 10th Ave N

Golden Valley, MN 55427
USA

VENDOR CONTACT:

Therese Mugge
PHONE: 763-595-6133 EXT:
EMAIL: governmentalsales@mckesson.com
VENDOR #: 41126165302

DESCRIPTION OF ITEMS CONTRACTED

Medical Products

Medical - Surgical Products Distribution (Acute and Non-Acute Class of Trade) as authorized by individual Facility Authorization Distribution Agreement (ADA) to participate in HPPI Pricing

Cooperative Purchasing Agreement pursuant to 8A.311(4) Iowa Code - 2005 Supplement.

Government Sales Contact: Therese Mugge at phone 763-595-6133

or 800-328-8111 or FAX 800-237-9766 or E-Mail address: governmentalsales.mckesson.com

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- Steve Donahue at phone 800-933-4633 ext. 9945 or E-Mail: STEVE.DONAHUE@mckesson.com
- Jim Loes at phone 800-933-4633 ext. 9910 or E-Mail: JIM.LOES@mckesson.com
- EXTENDED CARE Representative: Kent Hayek at phone 800-328-8111 ext. 806 or E-Mail: KENT.HAYEK@mckesson.com

RENEWAL PERIODS

FROM 12-01-2006 TO 11-30-2007

FROM 12-01-2007 TO 11-30-2008

FROM 11-30-2008 TO 11-29-2009

THRESHOLDS

MINIMUM ORDER AMOUNT:

MAXIMUM ORDER AMOUNT:

NOT TO EXCEED AMOUNT:

AUTHORIZED DEPARTMENT

ALL

TOTAL \$0.00

VENDOR:

APPROVED BY:

Jeanette Chupp, Nov. 30, 2006

THIS MA IS SUBJECT TO THE TERMS
AND CONDITIONS ATTACHED HERETO.
PLEASE SEE ATTACHMENTS FOR
FURTHER DESCRIPTIONS.



**STATE OF IOWA
MASTER AGREEMENT**

MA# 005 CT2411MV8OF20 2
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PAGE: 2 of 5

LINE NO.	QUANTITY / SERVICE DATES	UNIT	COMMODITY / DESCRIPTION	UNIT COST / PRICE OF SERVICE
1	0.00000		47555	\$0.000000
				\$0.000000
2	0.00000		Medical Examination Equipment and Supplies (Not Otherwise Cl 46548	\$0.000000
				\$0.000000
3	0.00000		Hospital and Surgical Equipment and Accessories (Not Otherwi 345	\$0.000000
				\$0.000000
4	0.00000		FIRST AID AND SAFETY EQUIPMENT AND SUPPLIES (EXCEPT NUCLEAR 475	\$0.000000
				\$0.000000
5	0.00000		HOSPITAL, SURGICAL, AND MEDICAL RELATED ACCESSORIES AND SUND 41003	\$0.000000
				\$0.000000
6	0.00000		Beds and Mattresses, Hospital Specialized: Air Beds, Intensi 41012	\$0.000000
				\$0.000000
7	0.00000		Carts: Dressing, Laboratory, Medication, Patient Tray, Resus 41072	\$0.000000
				\$0.000000
8	0.00000		Tables, Examination; and Accessories 43568	\$0.000000
				\$0.000000
9	0.00000		Skin Cleansers: Emollient, Nonalkaline, etc. 47517	\$0.000000
				\$0.000000
10	0.00000		Catheters and Urinary Drainage Systems, Plastic and Rubber 47534	\$0.000000
				\$0.000000
11	0.00000		Disposal Systems, Nonreusable (For Blades, Hospital Waste Co 46502	\$0.000000
				\$0.000000
12	0.00000		Anesthesia and Respiration Equipment, Hospital: Controls, Ga 4650710	\$0.000000
				\$0.000000
13	0.00000		BLOOD CHEMISTRY EQUIPMENT 46511	\$0.000000
				\$0.000000
14	0.00000		Blood Pressure and Blood Flow Detection Equipment: Dopplers, 46522	\$0.000000
				\$0.000000
15	0.00000		Diagnostic Equipment, Computerized: Plethysmographs, Spirome 46525	\$0.000000
				\$0.000000
16	0.00000		Diagnostic Equipment, Electronic (Not Otherwise Itemized) 46560	\$0.000000
				\$0.000000
17	0.00000		Monitoring Systems, All Types (Hospital and Patient) 4656750	\$0.000000
				\$0.000000
18	0.00000		ORTHOPEDIC EQUIPMENT, MISCELLANEOUS 46582	\$0.000000
				\$0.000000
19	0.00000		Rehabilitation Equipment and Supplies (For Hydrotherapy, Phy 46590	\$0.000000
				\$0.000000
20	0.00000		Sterilizing Equipment, Hospital and Research: Autoclaves and 46595	\$0.000000
				\$0.000000
21	0.00000		Vaporizers, Humidifiers, and Nebulizers (Including Room Size 47509	\$0.000000
				\$0.000000
			Bandages (All Types), Adhesive Tapes, Dressings, Plaster of	



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MA# 005 CT2411MV80F20 2
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PAGE: 3 of 5

LINE NO.	QUANTITY / SERVICE DATES	UNIT	COMMODITY / DESCRIPTION	UNIT COST / PRICE OF SERVICE
22	0.00000		47550	\$0.000000 \$0.000000
23	0.00000		Lancets, Blood 47564	\$0.000000 \$0.000000
24	0.00000		Paper Goods: Diapers, Medication Blister Cards, Pillow Cases 47574	\$0.000000 \$0.000000
25	0.00000		Sets, Procedural, Disposable: Catheter Care, Enema, Irrigati 4757713	\$0.000000 \$0.000000
26	0.00000		BAGS, BIOHAZARD, INFECTIOUS WASTE 47582	\$0.000000 \$0.000000
27	0.00000		Syringes, Hypodermic and Irrigation (Disposable), and Hypode 4758244	\$0.000000 \$0.000000
28	0.00000		VACUTAINER NEEDLES, STERILE, DISPOSABLE 47588	\$0.000000 \$0.000000
29	0.00000		Utensils, Sickroom: Aluminum, Enamelware, Stainless Steel, e 47595	\$0.000000 \$0.000000
30	0.00000		Vacuum Blood-Collecting Sets (Tubes, Tube-Holders, and Needl 470	\$0.000000 \$0.000000
31	0.00000		HOSPITAL, NURSING HOME OR RESIDENTIAL SPECIALIZED EQUIPMENT 47013	\$0.000000 \$0.000000
32	0.00000		Anatomical Braces and Supports: Arm Slings, Back Supports, T 47020	\$0.000000 \$0.000000
33	0.00000		Commode Chairs and Shower Chairs 47060	\$0.000000 \$0.000000
34	0.00000		Restraint and Protection Items: Crib Nets, Foam Helmets, Jac 47541	\$0.000000 \$0.000000
35	0.00000		Gloves and Finger Cots, Medical Type 4754128	\$0.000000 \$0.000000
36	0.00000		GLOVES, EXAMINATION, DISPOSABLE, LATEX, MEDICAL GRADE, NON-S 4754139	\$0.000000 \$0.000000
37	0.00000		GLOVES, EXAMINATION, POWDER FREE, SYNTHETIC 4754148	\$0.000000 \$0.000000
38	0.00000		GLOVES, EXAMINATION, NITRILE, IMPERVIOUS TO BLOOD & BODY FLU 4754150	\$0.000000 \$0.000000
39	0.00000		GLOVES, EXAMINATION, SYNTHETIC, NON-LATEX, NON-STERILE, LOW 4754155	\$0.000000 \$0.000000
40	0.00000		GLOVES, EXAMINATION, VINYL, PEEL PACK, STERILE, DISPOSABLE 96286	\$0.000000 \$0.000000
			Transportation of Goods and Other Freight Services	



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Subcontractors

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Termination-Non-Appropriation

Notwithstanding any other provision of this contract, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, either through the failure of the State to appropriate funds, discontinuance or material alteration of the program for which funds were provided, then the State shall have the right to terminate this contract without penalty by giving not less than thirty (30) days written notice documenting the lack of funding, discontinuance or program alteration.

Immunity of State/Fed Agencies

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Assignment

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Anti-Trust Assignment

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Delivery and Acceptance

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Delivery and Acceptance (cont)

- D. Disposition of Rejected item - The vendor must remove at the vendor's expense any item rejected by the State. If the vendor fails to remove that rejected item, the State may dispose of the item by offering the same for sale, deduct any accrued expense and remit the balance to the vendor.
- E. Testing After Delivery - Laboratory analysis of an item or other means of testing may be required after delivery. In such cases, vendors will be notified in writing that a special test is being made and that payment will be withheld until completion of the testing process.

Title to Goods

The vendor warrants that the goods purchased hereunder are free from all liens, claims or encumbrances.

Indemnification

To the extent that goods are not manufactured in accordance with the State's design, the vendor shall defend, indemnify and hold harmless the State of Iowa, the State's assignees, and other users of the goods from and against any claim of infringement of any Letter Patent, Trade Names, Trademark, Copyright or Trade Secrets by reason of sale or use of any articles purchased hereunder. The State shall promptly notify the vendor of any such claim.

Nondiscrimination

The vendor is subject to and must comply with all federal and state requirements concerning fair employment and will not discriminate between or among them by reason of race, color, religion, sex, national origin or physical handicap.

Warranty

The vendor expressly warrants that all goods supplied shall be merchantable in accordance with the Uniform Commercial Code, Section 2-314 and the Iowa Code, Section 554.2314.

Taxes



STATE OF IOWA
MASTER AGREEMENT

MA# 005 CT2411MV80F20 2
EFFECTIVE BEGIN DATE: 12-01-2006
EXPIRATION DATE: 11-30-2007
PAGE: 5 of 5

The State of Iowa is exempt from the payment of Iowa sales tax, motor vehicle fuel tax and any other Iowa tax that may be applied to a specified commodity and/or service. Contractors performing construction activities are required to pay state sales tax on the cost of materials. The Iowa Department of Revenue exemption letter will be furnished to a vendor upon request.

Hazardous Material

All packaging, transportation, and handling of hazardous materials shall be in accordance with applicable federal and state regulations including, but not limited to, the Material Safety Data Sheet provision of O.S.H.A. Hazard Communication Standard 29CFR 1910.1200, and Iowa Administrative Code, Chapter 567.

Public Records

The laws of the State of Iowa require procurement records to be made public unless exempted by the Code of Iowa.

Miscellaneous

The terms and provisions of this contract shall be construed in accordance with the laws of the State of Iowa. Any and all litigation or actions commenced in connection with this contract shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa. If however, jurisdiction is not proper in Polk County District Court, the action shall only be brought in the United States District Court for the Southern District of Iowa, Central Division, providing that jurisdiction is proper in that forum. This provision shall not be construed as waiving any immunity to suit or liability, which may be available to the State of Iowa.

If any provision of this contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable.

Records Retention

The vendor shall maintain books, records, and documents which sufficiently and properly document and calculate all charges billed to the State of Iowa throughout the term of this Agreement for a period of at least five (5) years following the date of final payment or completion of any required audit, whichever is later. The vendor shall at, no charge, permit the Auditor of the State of Iowa, or any authorized representative of the State (or where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government) to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records, or other records of the vendor relating to orders, invoices, or payments documentation or materials pertaining to this Agreement.

Independent Contractor

The vendor is an independent contractor performing services for the State of Iowa, and as such shall not hold itself out as an employee or agent of the State.

Performance Monitoring

For all service contracts, the requirements of Iowa Code sections 8.47 shall be incorporated into final terms and conditions of the contract.

onv8

McKesson 2007

SERVISHARE
CONTRACT DATA SHEET

CONTRACT ID 2411

SUPPLIER:

McKesson Medical Surgical, Inc.
8741 Landmark Road
Richmond, VA 23228
www.mckgenmed.com

8121 - 10th Ave. N.
Golden Valley, MN.
This address
only!!

PRODUCT/SERVICES:

Medical-Surgical Distribution (DM60038)

PLACE ORDERS:

Customer Service
Phone: 800-446-3008

CONTRACT PERIOD:

December 1, 2006 through August 31, 2011

PRICE/DISCOUNT:

Per Authorized Distribution (AD) form

PAYMENT TERMS:

Each participating member shall select from payment options as listed in the contract summary (DM60038).

DELIVERY/SHIPPING:

Products are F.O.B. destination, freight prepaid, unless otherwise noted

SPECIAL CONDITIONS:

Identify yourself as a ServiShare/HPPI member



CONFIDENTIAL

CONTRACTOR NO.

DM60038 Multisource

SUPPLIER

McKesson Medical Surgical Inc.
Medical-Surgical Distribution

PRODUCTS

DISTRIBUTION — MEDICAL-SURGICAL

- Products
- Services

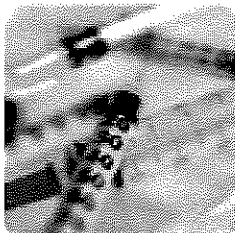
Agreement

Launch

Package

DISTRIBUTED TO

Materials Management Executives and Professionals



DM60038 - MEDICAL-SURGICAL DISTRIBUTION

HEALTHCARE PURCHASING PARTNERS INTERNATIONAL

Complete contract information is available from the Contract Catalog, which is available to all members on the HPPI Exchange® Web site located at <https://www.hpexchange.com>.

FACT SHEET

McKesson Medical-Surgical Distribution (DM60038)

AGREEMENT NO.	DM60038 Multisource award with American Medical (DM60031), BHS (DM60032), Cardinal (DM60034), Claflin (DM60035), Hardin's-SYSCO (DM60036), Kreisers (DM60037), Medline (DM60039), Midland Hospital (DM60041), Midland Medical (DM60042), Midwest Medical (DM60043), N.S. Low (DM60044), Owens Minor (MS40045), PHS (DM60046), Seneca (DM60047), Shared Services (DM60048) and Burrows (DM60049). These replace agreements DM10010, DM10020, DM10030, DM10040, DM10050, DM10060, DM10070 and DM10080.
SUPPLIER	McKesson Medical-Surgical Inc. 8741 Landmark Road Richmond, VA 23228 www.mckessonmed.com
SERVICES	Distribution of medical-surgical supplies to: <ul style="list-style-type: none">• acute care facilities owned/controlled and credentialed by HPPI membership• free-standing surgical centers owned/controlled and credentialed by HPPI membership• non-acute care alternate sites owned/controlled and credentialed into HPPI membership• home care and long-term care facilities owned/controlled and credentialed into HPPI membership
CONTACTS	HPPI Customer Service — (888) 538-4662 or HPPICustomerService@hppiigo.com McKesson Customer Service — (800) 446-3008
PRICING	Refer to the Pricing section of this contract summary for pricing. For complete information on this agreement, including the most up-to-date line-item pricing, refer to the HPPI Contract Catalog, which is available to all members on the HPPI Exchange® Web site, accessible through www.hppiexchange.com . If you do not have access to the HPPI Contract Catalog, please contact HPPI Technical Support at (866) MARKET5 (627-5385), option 5 or HPPITechSupport@hppiigo.com . Primary Distribution: Costs Plus is dictated by the contract pricing matrix. Secondary Distribution: Distribution markup for Secondary Participation is locally negotiated between the member and the distributor.

FACT SHEET

McKesson Medical-Surgical Distribution (DM60038)

PRODUCT PORTFOLIO On behalf of HPPI, Novation has contracted with the Authorized Distributor to provide certain products to members. Distributors will offer preferred products to the members at competitive prices. The Product Portfolio will be considered Novation/HPPI contract products and will be reported by the Authorized Distributor as contract sales.

Distributors will honor the pricing on the Product Portfolio for a term of three years. On behalf of HPPI, Novation will look for opportunities to expand the portfolio during the term of the agreement to bring additional value to members. For Product Portfolio pricing, refer to the HPPI Contract Catalog or your local distributor representative. Authorized Distributors will provide pricing for the following products:

- soap (two lines)
- emesis bags
- drinking straws
- tongue depressors (four sizes)
- alcohol
- hydrogen peroxide

SHIPPING TERMS Products are F.O.B. destination, freight prepaid, unless otherwise noted.

STEPS FOR IMPLEMENTATION

1. All members must sign up for the new med-surg distribution program.
2. Primary participants must sign the Authorized Distributor Selection Form (Schedule 1) and the AD Pricing Worksheet (Schedule 2). If switching from one distributor to another, member would need to contact its assigned HPPI Sales Director/Account Manager and submit a transition plan template (schedule 3) as well. Upon completion, all forms must be faxed to the HPPI Member Services at (972) 910-6604.
3. Secondary participants must sign the Authorized Distributor Selection Form (Schedule 1). If switching from one distributor to another, member would need to contact its assigned HPPI Sales Director/Account Manager and submit a transition plan template (schedule 3) as well. Upon completion, all forms must be faxed to the HPPI Member Services at (972) 910-6604.
4. HPPI should receive all data at least 30 days prior to agreement implementation if you are renewing with your existing Authorized Distributor and at least 45 days prior to agreement implementation if you are changing Authorized Distributors. This is necessary in order to implement any price changes that the Authorized Distributor may need to make to eliminate pricing discrepancies.
5. Novation/HPPI will also announce your selection to all contracted medical-surgical suppliers and distributors. At this point, your completed and approved schedules 1 and 2 will be posted in Form Manager for your review.
6. If you have chosen another Authorized Distributor other than your current AD, Novation/HPPI will notify your current AD. Novation/HPPI will work with you, your HPPI sales director/account manager and both your current and new Authorized Distributors to facilitate an efficient and timely transition.

For complete information on this agreement, including the most up-to-date line-item pricing, refer to the HPPI Contract Catalog, which is available to all members on the HPPI Exchange Web site, accessible through www.hppiexchange.com. If you do not have access to the HPPI Contract Catalog, please contact HPPI Technical Support at (866) MARKET5 (627-5385), option 5 or HPPITechSupport@hppigpo.com.

FACT SHEET

McKesson Medical-Surgical Distribution (DM60038)

PAYMENT TERMS

Each participating member shall select from the following payment options and all credits or additions shall be included in the total distribution service fee. Authorized Distributor accepts the prepayment terms and credits as outlined. Authorized Distributor shall accept and offer credit for twice-per-month payments as outlined:

- 15-day prepay: 0.25 percent credit
- 30-day prepay: 0.5 percent credit
- standard terms: 1-15th purchases due the 25th of same month and 16th-30th/31st purchases due the 10th of the following month
- net 30 days: add 0.5 percent
- net 45 days: add 1 percent
- net 60 days: add 2 percent
- more than 60 days: add additional 1 percent for each 15 days beyond 60 days

NONTRADITIONAL PRODUCTS

A handling charge of no more than 5 percent may be added to acquisition cost for nontraditional products.

CONFIDENTIALITY NOTICE

Novation/HPPI regards contract information as proprietary and confidential. We have attempted to balance the members' needs for contract information by providing in this contract summary a summary of the members' affirmative obligations under this particular contract.

If a member has specific needs beyond this summary, Novation/HPPI is prepared to work with the member to address these needs. The member should contact the Novation product manager for this agreement to initiate such a request.

PRICING

McKesson Medical-Surgical Distribution (DM60038)

EFFECTIVE DATES Dec. 1, 2006 – Aug. 31, 2011

Exhibit D: Distribution Volume Matrix

For the net fee, take the gross fee, No. (1) below; subtract the .5 percent average incentive, No. (2) below; and then subtract the 2 percent HPIS incentive, No. (3) below.

TIER	MONTHLY VOLUME	GROSS FEE FOR DISTRIBUTION SERVICES (1)	WEEKLY DELIVERIES	LINE ITEM AVERAGE	LINE AVERAGE INCENTIVE (2)	TOP 10 HPIS CATEGORY INCENTIVE (3)	NET FEE FOR DISTRIBUTION SERVICES (1) - (2) - (3)
1	\$0 - 7,500	10.50%	1	\$125	0.50%	2.00%	8.00%
2	\$7,501 - 25,000	10.00%	1	\$125	0.50%	2.00%	7.50%
3	\$25,001 - 75,000	9.50%	2	\$125	0.50%	2.00%	7.00%
4	\$75,001 - 150,000	9.05%	2	\$125	0.50%	2.00%	6.55%
5	\$150,001 - 250,000	8.45%	2	\$125	0.50%	2.00%	5.95%
6	\$250,001 - 400,000	8.25%	2	\$125	0.50%	2.00%	5.75%
7	\$400,001 - 600,000	7.45%	3	\$150	0.50%	2.00%	4.95%
8	\$600,001 - 800,000	7.05%	4	\$150	0.50%	2.00%	4.55%
9	\$800,001-1,100,000	6.80%	4	\$150	0.50%	2.00%	4.30%
10	\$1,100,001-1,500,000	6.60%	5	\$175	0.50%	2.00%	4.10%
11	\$1,500,001- 2,000,000	6.50%	5	\$175	0.50%	2.00%	4.00%
12	>\$2,000,001	6.40%	5	\$175	0.50%	2.00%	3.90%

Qualifiers: Base Bulk – Delivery to Dock in Manufacturer's Case Shipment

1. Initial monthly volume is determined by previous quarter's actual purchases and reviewed semiannually thereafter.
2. If health care organization does not maintain 90 percent electronic order entry (EOE), the health care organization will incur a cost of 0.50 percent on its base markup.
3. EOE is calculated by dividing the lines ordered initially electronically by the total lines ordered and shall be measured each calendar quarter. Orders for capital equipment shall not apply toward EOE calculation.
4. Days sales outstanding (DSO) is an add-on based on past quarter's activity and reviewed semiannually thereafter.
5. All additional services are based on fees on Exhibit D-1, Distribution Service Fee Menu & Definitions.
6. Line incentive is calculated by dividing the total monthly dollar volume by the total number of lines shipped for month; reviewed semiannually.
7. Exhibit D shall be used for all acute care facilities and stand-alone ambulatory surgery centers.

PRICING

McKesson Medical-Surgical Distribution (DM60038)

Exhibit D-1: Distribution Services Pricing

Additional Distribution Service Pricing Menu and Definitions

DISTRIBUTION SERVICES	DISTRIBUTION SERVICE FEE	
1. Customized Invoices	No charge	
2. Customized Packing Slip	No charge	
3. Combined Packing Slip and Invoice	No charge	
4. Custom Pallet Architecture – Basic	No charge	
5. Custom Pallet Architecture – Expanded	No charge	
6. Add Delivery	\$0-250,000	0.25%
	\$250,000-\$500,000	0.25%
	More than \$500,000	0.25%
7. Bulk Picked By Department Delivered to Dock	1-3	0.5%
	4-10	0.75%
	11-15	1%
	More than 16	1.25%
8. Bulk Break To Manufacturer Next Packing Unit (if not usually broken down)	No charge	
9. LUM Picked by Department Delivered to Dock*	3%	
10. LUM Picked by Department Delivered to Department*	1%	
11. LUM Picked by Department Put Stock Away*	2%	
12. Affix Patient Label	\$0.10	
13. Bar Codes	Actual costs	

* Distribution service fees for 9, 10 and 11 are compounded (additive).

All distribution service fees are additive to the affected activity.

Definition of all distribution services can be found in the contract summary.

Any customized services provided in this Distribution Services pricing section for “no charge” shall exclude any services provided by distributor (or its agents) that require distributor to incur any material cost or expense in providing such services, including without limitation, with respect to any software or application change, process change or custom programming requirements.

PRICING

McKesson Medical-Surgical Distribution (DM60038)

Exhibit D-2: Non-Acute Distribution Services Pricing

Physician Participants

	MONTHLY VOLUME	MONTHLY VOLUME	MONTHLY VOLUME
	\$0 - \$2,000	\$2,001 - \$8,000	\$8,000+
Cost-Plus	22%	18%	15%

NOTES:

- This Physician Participants matrix applies to owned/controlled non-acute physician facilities credentialed into HPPI membership. To avoid two costs in the health care organization information system, the difference in cost-plus between an acute care slot and non-acute slot can be applied as a service charge to all non-acute. The services provided by Authorized Distributor shall be limited to the same bulk services that Authorized Distributor provides to acute care members.
- Delivery to dock, one shipment per week

Home Care – Long-Term Care

	MONTHLY VOLUME	MONTHLY VOLUME	MONTHLY VOLUME	MONTHLY VOLUME
	\$0-9,999	\$10,000-24,999	\$25,000-39,999	\$40,000+
Cost-Plus	17%	15%	13%	11%

NOTES:

- Monthly purchase volumes will be combined for all sites utilizing a central ordering, billing, selling and shipping point.
- Two deliveries per week
- This Home Care-Long-Term Care matrix applies to owned/controlled non-acute home care-long term care facilities credentialed into HPPI memberships (other health care provider). The services provided by Authorized Distributor shall be limited to the same bulk services that Authorized Distributor provides to acute care members.
- To avoid two costs in the health care organization information system, the difference in cost-plus between an acute care slot and care continuum slot can be applied as a service charge to all care continuum sales.